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South Africa, Republic of

Oilseeds and Products

Annual

2003

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Report Highlights:

In 2002/03 production of South Africa's three major oilseeds is 25% down on the previous season. The main reason for the decline being a 100,000 hectare cut in area planted. The smaller crops aggravate the undersupply situation. Imports are thus expected to increase to about 620,000 tons of meal and 170,000 tons of oil. The bulk of the imports will be soybean products from Argentina.

Includes PSD changes: Yes

Includes Trade Matrix: Yes

Annual Report

Pretoria [SF1], SF

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Executive Summary

In FAS 2002, local My 2003, production of South Africa's three major oilseeds; sunflower, soybeans and peanuts, is expected to be more than 25% down from the previous season. The main reason for the decline is a 100,000 ha. drop in area planted due to price anomalies between corn and oilseeds in 2001. The situation is expected to reverse again later this year with the planting of the 2003/2004 crops. South Africa suffers from a chronic shortage of oilseeds and products but imports are mainly composed of meals and oils. The main products imported are soybean meal, 519,000 tons in CY 2002 and soy oil, 132,000 tons, mostly from Argentina. In CY 2001, 109,500 tons of sunflower oil were imported but this dropped to 4,000 tons in 2002 when soy oil prices dropped.

US\$1= Rand 8.20 (05/29/2003)

SAGIS, www.sagis.org.za

AFMA, www.afma.co.za

GRAIN SA, www.grainsa.co.za

SAFEX, www.safex.co.za

Total Oilseeds

Production

The production situation is summarized in the following table:

Product	Planted 2001	My 2002	Planted 2002	My 2003	Planted 2003	My 2004
	Area	Prod./Del.	Area	Production	Area	Production
	'000 ha.	'000 mt.	'000 ha.	'000 mt. est.	'000 ha.	'000 mt. fore
Sunflower	667.5	930	628.0	724	650	830
Soybeans	124.2	224	108.0	147	125	200
Peanuts*	94.2	120	50.3	66	75	100
Total	885.9	1274	786.3	937	850	1130

* Shelled

The main development in 2002/03 was the 100,000 hectare decline in the area planted to oilseeds compared to a year ago. The area planted decreased from 886,000 ha. to 786,000 ha. mainly due to the very good corn prices realized in 2001. In addition, climactic conditions were less favorable, with the result that yields declined. Total oilseed production is thus expected to reach only 937,000 tons this year compared to the 1,274,000 tons produced in 2001. Corn prices are currently very low and a switch back to oilseeds can be expected later this year at the start of the planting season in September. A forecast is shown in the table above.

Consumption

Domestic consumption is shown in the following table. The high feed, seed and waste total for soybeans is due to the extensive use of full fat soya in feed. This amounted to 143,000 tons in 2000 and 133,000 tons in 2001 with similar figures expected for 2003 and 2004. The total crush for oilseeds is expected to reach 725,000 this year after 723,000 tons were used in 2001.

Current producer prices are:

Sunflower-seed,	R1,770/ton, \$215.85 @ \$1=R8.20 (05/29/03)
Soybeans,	R1,750/ton, \$213.40
Peanuts, crushing grade	R2,000/ton, \$243.90
medium grade	R3,000/ton, \$365.85
choice, selected	R 5,900/ton, \$719.50

Table; Domestic consumption of oilseeds;

'000 Mt.	Crush	Food	Feed, seed	Total
2001/My 2002				
Sunflower	698	4	41	743
Soybeans	10	41	155	206
Peanuts	15	71	18	104
Total	723	116	214	1053
2002/My 2003				
Sunflower	715	5	25	745
Soybeans	5	45	160	210
Peanuts	5	50	15	70
Total	725	100	200	1025
2003/My 2004				
Sunflower	725	5	25	755
Soybeans	5	50	165	220
Peanuts	5	50	15	70
Total	735	105	205	1045

Trade

Trade in oilseeds is limited with none exceeding 100,000 tons. The bulk of the business is done in meal and oil. Edible peanuts are the exception but this is for a completely different market. Exports amounted to 41,000 tons on a shelled basis in 2001 and 51,000 tons in 2002. The details are in the trade matrix.

Policy

The current import tariffs are:

- Tariff number 12.01 Soybeans, general rate of duty 8%, EU and SADC free.
- 12.02 Peanuts, general rate of duty 10%, EU and SADC free.
- 12.06 Sunflower-seed, general rate of duty 9.4%, EU 7.5%, SADC free.
- 15.07 Soy-oil, crude, general 10%, EU and SADC free.
- 15.12 Sunflower oil, crude, general 10%, EU and SADC free.
- 23.04 Soybean meal, general 6.6%, EU 3.3%, SADC free.
- 23.01 Fishmeal free.

PSD Table						
Country	South Africa, Republic of					
Commodity	Oilseed, Sunflower-seed				(1000 HA)(1000 MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01/2002		01/2003		01/2004
Area Planted	645	668	625	628	0	650
Area Harvested	670	668	625	628	0	650
Beginning Stocks	27	140	45	283	20	215
Production	930	930	710	724	0	830
MY Imports	2	2	4	3	0	5
MY Imp. from U.S.	0	0	0		0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	959	1072	759	1010	20	1050
MY Exports	115	46	60	50	0	75
MY Exp. to the EC	75	0	55	0	0	0
Crush Dom. Consumption	775	698	669	715	0	725
Food Use Dom. Consump.	9	4	4	5	0	5
Feed,Seed,Waste Dm.Cn.	15	41	6	25	0	25
TOTAL Dom. Consumption	799	743	679	745	0	755
Ending Stocks	45	283	20	215	0	220
TOTAL DISTRIBUTION	959	1072	759	1010	0	1050
Calendar Year Imports	0	2	0	3	0	5
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	46	0	50	0	75
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PSD Table						
Country	South Africa, Republic of					
Commodity	Oilseed, Soybean				(1000 HA)(1000 MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01/2002		01/2003		01/2004
Area Planted	127	124	127	108	0	125
Area Harvested	124	124	115	108	0	125
Beginning Stocks	0	55	0	105	0	85
Production	202	224	180	147	0	200
MY Imports	60	35	60	43	0	35
MY Imp. from U.S.	5	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	262	314	240	295	0	320
MY Exports	3	3	5	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	170	10	162	5	0	5
Food Use Dom. Consump.	25	41	26	45	0	50
Feed,Seed,Waste Dm.Cn.	64	155	47	160	0	165
TOTAL Dom. Consumption	259	206	235	210	0	220
Ending Stocks	0	105	0	85	0	100
TOTAL DISTRIBUTION	262	314	240	295	0	320
Calendar Year Imports	0	35	0	43	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	3	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PSD Table						
Country	South Africa, Republic of					
Commodity	Oilseed, Peanut				(1000 HA)(1000 MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		03/2002		03/2003		03/2004
Area Planted	96	94	96	50	0	75
Area Harvested	92	94	125	50	0	75
Beginning Stocks	60	70	30	40	30	20
Production	120	120	150	66	0	100
MY Imports	7	3	15	14	0	5
My Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	187	193	195	120	30	125
MY Exports	42	49	43	30	0	35
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	35	15	39	5	0	5
Food Use Dom. Consump.	55	71	56	50	0	50
Feed,Seed,Waste Dm.Cn.	25	18	27	15	0	15
TOTAL Dom. Consumption	115	104	122	70	0	70
Ending Stocks	30	40	30	20	0	20
TOTAL DISTRIBUTION	187	193	195	120	0	125
Calendar Year Imports	0	3	0	14	0	5
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	51	0	30	0	35
Calndr Yr Exp. to U.S.	0	1	0	1	0	1

Export Trade Matrix			
Country	South Africa, Republic of		
Commodity	Oilseed, Peanut		
Time period	Jan-Dec	Units:	Metric tons
Exports for:	2001		2002
U.S.	1955	U.S.	792
Others		Others	
Netherlands	16836	Netherlands	17887
Japan	9337	Japan	8384
United Kingdom	4184	U.K.	7323
Germany	3224	Germany	3382
Indonesia	360	Indonesia	3035
Mozambique	452	Mozambique	2129
Angola	37	Angola	1451
Malaysia	72	Malaysia	1260
Finland	1206		666
Croatia	342	Croatia	342
Total for Others	36050		45193
Others not Listed	3020		4905
Grand Total	41025		50890

Total Meals

The situation is summarized in the following table;

Production '000 mt.	2001 My 2002	2002 My 2003	2003 My 2004
Sunflower meal	300	307	312
Soybean meal	8	4	4
Fishmeal	110	120	115
Total	418	431	431
Imports			
Sunflower meal	60	53	58
Soybean meal	519	540	555
Fishmeal	5	5	5
Total	584	598	618
Supply			
Sunflower meal	360	360	370
Soybean meal	527	544	559
Fishmeal	115	125	120
Total	1002	1029	1049
Consumption			
Sunflower meal	360	360	370
Soybean meal	523	540	555
Fishmeal	91	85	70
Total	974	985	995

It is clear from the table that local protein meal production is dominated by sunflower which is also the basis of the local plant oil industry. Fishmeal is still a factor in the market and is currently selling at around R3,700 per ton, considerably cheaper than a year ago as a result of the strong SA Rand. Last year the Rand was considerably weaker and exports flourished. Now that the markets have been opened, it is expected that exports will continue to grow as international aquacultural production increases. Other protein meals are selling at R2000 to R2200 per ton which implies that fishmeal should be selling at between R3600 and R3960 per ton taking the 1.8 factor into account. The import market is, however, dominated by soybean meal imports from Argentina.

PSD Table						
Country	South Africa, Republic of					
Commodity	Meal, Sunflower-seed				(1000 MT)(PERCENT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		04/2002		04/2003		04/2004
Crush	775	698	669	715	0	725
Extr. Rate, 999.9999	0.44129	0.429799	0.44843	0.429371	ERR	0.430345
Beginning Stocks	0	0	0	0	0	0
Production	342	300	300	307	0	312
MY Imports	5	60	25	53	0	58
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	347	360	325	360	0	370
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	347	360	325	360	0	370
TOTAL Dom. Consumption	347	360	325	360	0	370
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	347	360	325	360	0	370
Calendar Year Imports	0	60	0	53	0	58
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Import Trade Matrix			
Country	South Africa, Republic of		
Commodity	Meal, Sunflower-seed		
Time period	Jan-Dec	Units:	Metric tons
Imports for:	2001		2002
U.S.	0	U.S.	0
Others		Others	
Argentina	28350	Argentina	58700
		Brazil	1500
Total for Others	28350		60200
Others not Listed	0		0
Grand Total	28350		60200

PSD Table						
Country	South Africa, Republic of					
Commodity	Meal, Soybean				(1000 MT)(PERCENT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01/2002		01/2003		01/2004
Crush	170	10	162	5	0	5
Extr. Rate, 999.9999	0.794118	0.8	0.790123	0.8	ERR	0.8
Beginning Stocks	0	0	0	0	0	0
Production	135	8	128	4	0	4
MY Imports	540	519	575	540	0	555
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	675	527	703	544	0	559
MY Exports	4	4	4	4	0	4
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	671	523	699	540	0	555
TOTAL Dom. Consumption	671	523	699	540	0	555
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	675	527	703	544	0	559
Calendar Year Imports	0	519	0	540	0	555
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	4	0	4	0	4
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Import Trade Matrix			
Country	South Africa, Republic of		
Commodity	Meal, Soybean		
Time period	Jan-Dec	Units:	Metric tons
Imports for:	2001		2002
U.S.	6697	U.S.	30
Others		Others	
Argentina	461035	Argentina	492017
Brazil	0	Brazil	16500
Austria	520	Austria	9075
Zimbabwe	7389	Zimbabwe	1635
Total for Others	468944		519227
Others not Listed	30		16
Grand Total	475671		519273

PSD Table						
Country	South Africa, Republic of					
Commodity	Meal, Fish				(1000 MT)(PERCENT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01/2002		01/2003		01/2004
Catch For Reduction	0	0	0	0	0	0
Extr. Rate, 999.9999	ERR	ERR	ERR	ERR	ERR	ERR
Beginning Stocks	0	0	0	0	0	0
Production	84	110	84	120	0	115
MY Imports	2	5	10	5	0	5
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	86	115	94	125	0	120
MY Exports	25	24	10	40	0	50
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	61	91	84	85	0	70
TOTAL Dom. Consumption	61	91	84	85	0	70
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	86	115	94	125	0	120
Calendar Year Imports	0	5	0	5	0	5
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	24	0	40	0	50
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Export Trade Matrix			
Country	South Africa, Republic of		
Commodity	Meal, Fish		
Time period	Jan-Dec	Units:	Metric tons
Exports for:	2001		2002
U.S.	0	U.S.	739
Others		Others	
Japan	1454	Japan	8453
Taiwan	1981	Taiwan	4296
Latvia	0	Latvia	2773
China	0	China	2622
Slovenia	0	Slovenia	1099
Mauritius	412	Mauritius	628
Saudi Arabia	0	Saudi Arabia	500
Total for Others	3847		20371
Others not Listed	3991		3115
Grand Total	7838		24225

The animal feed industry:

Detailed statistics of the local feed industry are available on the Animal Feed Manufacturers' Association (AFMA) website at www.afma.co.za

As AFMA members produce about 60% of the feed in South Africa their oilcake and fishmeal usage and inclusion rates are of interest.

Table; AFMA members oilcake and fishmeal usage: Marketing year April/March, Metric tons.

Meal	1999/2000	% Inclusion	2000/2001	% Inclusion	2001/2002	% Inclusion
Soybean*	402,190	9.8%	406,677	10.3%	495,548	12.3%
Sunflower	304,970	7.4%	286,078	7.3%	232,460	5.8%
Cottonseed*	54,165	1.3%	43,758	1.1%	53,741	1.3%
Peanut meal	5,699	0.1%	3,845	0.1%	5,164	0.1%
Canola*	12,420	0.3%	8,683	0.2%	10,066	0.3%
TOTAL	779,444	18.9%	749,041	19.0%	796,977	19.7%
Fish meal	103,435	2.5%	115,990	2.9%	100,652	2.5%
Feed Sales	4,116,266		3,939,506		4,039,058	
* Including	fullfat					

The following table contains the total oil meals available on the local market, MY April/March, Metric tons.

	1999/2000	%	2000/2001	%	2001/2002	%
Sunflower	377,466	35.5%	405,144	35.3%	338,891	29.5%
Soybean	521,399	49.0%	591,826	51.5%	616,593	53.7%
Cotton	118,960	11.2%	108,576	9.5%	146,840	12.8%
Canola	12,650	1.2%	14,602	1.3%	14,163	1.2%
Lupins	13,000	1.2%	7,360	1.5%	16,338	1.4%
Others	13,863	1.3%	7,473	0.7%	8,962	0.8%
Peanuts	6,000	0.6%	4,173	0.4%	7,437	0.7%
Total	1,063,338		1,149,454		1,149,224	

Total Oils

The situation is summarized in the following table;

'000 metric tons	2000, My 2001	2001, My 2002	2002, My 2003	2003, My 2004
Production				
Sunflower oil	261	283	290	294
Soybean oil	5	2	1	1
Total	266	285	291	295
Imports				
Sunflower oil	109	4	30	36
Soybean oil	85	132	119	134
Total	194	136	149	170
Consumption				
Sunflower oil	351	269	310	320
Soybean oil	49	130	115	130
Total	400	399	425	450

It is clear from the table that soybean oil is gaining in popularity while sunflower oil is losing the battle. The import switch is mainly price driven, while most of the local table oils sold are denatured blends. While the table contains the oils produced from the main locally produced oilseeds, other oils are also available on the local market. Corn oil from the big local corn milling industry is a factor as well as palm- and cottonseed oils. Unfortunately we only have data for palm- and cottonseed oil imports as shown in the following table:

Metric tons	CY 2000	CY 2001	CY 2002
Palm oil	168,174	216,695	236,846
Cottonseed oil	Na.	38,813	46,117

PSD Table						
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Country	South Africa, Republic of					
Commodity	Oil, Sunflower-seed				(1000 MT)(PERCENT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01/2002		01/2003		01/2004
Crush	775	698	669	715	0	725
Extr. Rate, 999.9999	0.40129	0.405444	0.400598	0.405594	ERR	0.405517
Beginning Stocks	0	0	0	0	0	0
Production	311	283	268	290	0	294
MY Imports	14	4	31	30	0	36
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	325	287	299	320	0	330
MY Exports	10	18	10	10	0	10
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	315	269	289	310	0	320
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	315	269	289	310	0	320
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	325	287	299	320	0	330
Calendar Year Imports	30	4	0	30	0	36
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	9	18	0	10	0	10
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Import Trade Matrix			
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Country	South Africa, Republic of		
Commodity	Oil, Sunflower- seed		
Time period	Jan-Dec	Units:	Metric tons
Imports for:	2001		2002
U.S.	498	U.S.	0
Others		Others	
Argentina	105132	Argentina	1290
Austria	0	Austria	2474
Total for Others	105132		3764
Others not Listed	3856		289
Grand Total	109486		4053

PSD Table						
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Country	South Africa, Republic of					
Commodity	Oil, Soybean				(1000 MT)(PERCENT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01/2001		01/2002		01/2003
Crush	170	10	162	5	0	5
Extr. Rate, 999.9999	0.176471	0.2	0.17284	0.2	ERR	0.2
Beginning Stocks	0	0	0	0	0	0
Production	30	2	28	1	0	1
MY Imports	150	132	165	119	0	134
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	180	134	193	120	0	135
MY Exports	0	4	0	5	0	5
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	180	130	193	115	0	130
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	180	130	193	115	0	130
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	180	134	193	120	0	135
Calendar Year Imports	0	132	0	119	0	134
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	4	0	5	0	5
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Import Trade Matrix			
Country	South Africa, Republic of		
Commodity	Oil, Soybean		
Time period	Jan -Dec	Units:	Metric tons
Imports for:	2001		2002
U.S.	3	U.S.	1002
Others		Others	
Argentina	80073	Argentina	92620
Brazil	4798	Brazil	36589
Singapore	20	Singapore	1003
Malaysia	0	Malaysia	744
Total for Others	84891		130956
Others not Listed	323		2
Grand Total	85217		131960